

As Passed by the House

**125th General Assembly
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Sub. H. B. No. 414

**Representatives Core, Wolpert, Setzer, Jerse, Allen, Ujvagi, Webster,
Aslanides, Gibbs, Carmichael, Distel, Domenick, C. Evans, Faber, Niehaus,
Reinhard, Schlichter, Calvert, Carano, Cates, Chandler, Collier, Daniels,
D. Evans, Gilb, Grendell, Hartnett, Hollister, Latta, Otterman, Perry, Redfern,
Schmidt, Seaver, Sferra, Strahorn, Yates**

A B I L L

To amend section 5709.85 and to enact sections 931.01 1
to 931.09, 931.99, and 5709.28 of the Revised Code 2
to provide for the establishment of agricultural 3
security areas, to limit development within those 4
areas, and to provide the opportunity for certain 5
tax exemptions for land within those areas. 6

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 5709.85 be amended and sections 7
931.01, 931.02, 931.03, 931.04, 931.05, 931.06, 931.07, 931.08, 8
931.09, 931.99, and 5709.28 of the Revised Code be enacted to read 9
as follows: 10

Sec. 931.01. As used in this chapter: 11

(A) "Agriculture" has the same meaning as in section 1.61 of 12
the Revised Code. 13

(B) "Best management practices" means the engagement of 14
agricultural production and management, including practices such 15

as manure handling, tillage, forestry management, and similar 16
practices, in a manner that is generally accepted in the 17
agriculture industry and that is approved by any of the following: 18

(1) The United States department of agriculture; 19

(2) The natural resources conservation service in the United 20
States department of agriculture; 21

(3) The department of natural resources; 22

(4) A soil and water conservation district established under 23
Chapter 1515. of the Revised Code; 24

(5) With respect to organic or sustainable production 25
methods, a conservation professional whom the director of 26
agriculture approves as having expertise in those methods. 27

(C) "Contiguous farmland" means any of the following: 28

(1) Geographically contiguous property used for agriculture; 29

(2) Noncontiguous property used for agriculture that is owned 30
by one person and connected by a right-of-way that the person 31
controls and to which the public does not have access; 32

(3) Two or more pieces of property used for agriculture that 33
would be geographically contiguous but for the fact that the 34
property is separated by a public or private right-of-way or 35
rights-of-way or by rivers, streams, creeks, or other bodies of 36
water. 37

Sec. 931.02. (A) Land may be enrolled in an agricultural 38
security area through the submittal of an application to the board 39
of township trustees of each township and to the board of county 40
commissioners of each county in which the land is located 41
requesting the establishment of such an area. If all of the land 42
sought to be enrolled in the agricultural security area is owned 43
by the same person, that person shall submit the application to 44

those boards. If the land sought to be enrolled consists of
parcels owned by different persons who have aggregated their
parcels, either each owner may submit a separate application to
those boards or all of the owners collectively may submit one
application for the entire agricultural security area to those
boards.

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An application shall be on the form that the director of
agriculture prescribes. The director shall provide copies of the
application form to county auditors.

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An application shall be signed by each applicant who is
submitting it and shall contain all of the following:

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(1) The first, middle, and last name of the applicant or
applicants;

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(2) Information concerning any property interest in the land
sought to be enrolled in an agricultural security area that is
held by a person other than the applicant or applicants,
including, without limitation, mineral rights or easements in the
land that are held by a person other than the applicant or
applicants and any other interest in the land that may not be
conducive to agriculture and that is held by another person;

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(3) A statement by each applicant who is submitting the
application that the applicant will not initiate, approve, or
finance any new development for nonagricultural purposes on the
land that is proposed to be enrolled in an agricultural security
area during the ten-year period of the enrollment, except as is
otherwise authorized under division (A) of section 931.04 of the
Revised Code. For purposes of division (A)(3) of this section,
"new development" includes, without limitation, an applicant's
transfer to another person of the ownership of a property interest
in the land that occurs during the period beginning on the date

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that the application is submitted and ending on the date that the
ten-year period of enrollment is scheduled to expire. "New
development" does not include taking any actions that are
authorized under property rights in the land, such as mineral
rights or easements, that were transferred to a person other than
an applicant prior to the date that the application is submitted.
In addition, "new development" does not include the construction,
modification, or operation of transmission lines for electricity,
gas, or oil or of any gathering or production lines for oil or
gas, provided that the construction, modification, or operation of
the lines does not cause the land to become ineligible for
valuation and assessment for real property tax purposes in
accordance with its current agricultural use value under sections
5713.30 to 5713.38 of the Revised Code.

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(4) A listing of all administrative enforcement orders issued
to each applicant who is submitting the application, all civil
actions in which an applicant was determined by the trier of fact
to be liable in damages or was the subject of injunctive relief or
another type of civil relief, and all criminal actions in which an
applicant pleaded guilty or was convicted, during the ten years
immediately preceding the date of submission of the application,
in connection with any violation of environmental laws or similar
laws of another state. As used in division (A)(4) of this section,
"environmental laws" has the same meaning as in section 3745.70 of
the Revised Code.

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(5) A statement from the natural resources conservation
service in the United States department of agriculture, a soil and
water conservation district with jurisdiction over the land to
which the application applies, or any other conservation
professional approved by the director that, at the time of the
application, each applicant who is submitting the application is
complying with best management practices;

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<u>(6) A map that complies with all of the following:</u>	107
<u>(a) Is prepared and certified by a regional or county planning commission established under section 713.21 of the Revised Code or a professional engineer or surveyor registered under Chapter 4733. of the Revised Code;</u>	108 109 110 111
<u>(b) Identifies the area of land to which the application applies and includes the corresponding parcel number that the county auditor has assigned under section 319.28 of the Revised Code to each parcel of land that comprises that area;</u>	112 113 114 115
<u>(c) Shows the boundaries of the land to be enrolled in an agricultural security area;</u>	116 117
<u>(d) Shows the names and locations of all streams, creeks, or other bodies of water, roads, rights-of-way, railroads, utility lines, and water and sewer lines together with any existing residential, recreational, commercial, or industrial facilities that are on or are situated on the land to be included in the area and within five hundred feet of the perimeter of the area;</u>	118 119 120 121 122 123
<u>(e) Indicates the date on which the map was prepared;</u>	124
<u>(f) Identifies the person or persons who prepared the map.</u>	125
<u>(7) A list of the other boards of township trustees and boards of county commissioners to whom an application has been submitted.</u>	126 127 128
<u>An application submitted under this section is a public record.</u>	129 130
<u>(B) An area shall be established as an agricultural security area when all of the following criteria are satisfied:</u>	131 132
<u>(1) The area consists of not less than five hundred acres of contiguous farmland. In order to satisfy this requirement, two or more owners of contiguous farmland may aggregate their land.</u>	133 134 135

(2) The land forming the area is in an agricultural district 136
or districts established under Chapter 929. of the Revised Code. 137

(3) The land forming the area is valued and assessed for real 138
property tax purposes in accordance with its current agricultural 139
use value under sections 5713.30 to 5713.38 of the Revised Code. 140
Land forming the area that is a portion of a farm on which is 141
located a dwelling house, a yard, or outbuildings such as a barn 142
or garage shall be deemed to satisfy the criteria established in 143
divisions (B)(1) and (3) of this section. 144

(4) Each application submitted by the owner or owners of the 145
land forming the area is approved under section 931.03 of the 146
Revised Code by the boards of township trustees of all of the 147
townships in which the land is located. 148

(5) Each application submitted by the owner or owners of the 149
land forming the area is approved under section 931.03 of the 150
Revised Code by the boards of county commissioners of all of the 151
counties in which the land is located. 152

Sec. 931.03. (A)(1) Not later than sixty days after receipt 153
of an application submitted under section 931.02 of the Revised 154
Code, the board of township trustees of each township in which the 155
land that is proposed for enrollment in an agricultural security 156
area is located and the board of county commissioners of each 157
county in which the land is located shall hear the application at 158
the next regularly scheduled meeting of the board. A board, not 159
later than thirty days prior to the time of the meeting, shall 160
cause a notice containing the time and place of the meeting to be 161
published in a newspaper of general circulation in the township or 162
county, as applicable, and to be sent to the superintendent of 163
each school district within the proposed agricultural security 164
area, the county engineer of each county in which the proposed 165
area would be located, and the director of transportation. 166

As part of the hearing on an application, a board shall 167
review any information that it possesses concerning improvements 168
that are planned to be made during the subsequent ten years to 169
existing or proposed roads that are located or are to be located 170
within the area that is proposed for enrollment in an agricultural 171
security area. As used in division (A)(1) of this section, 172
"proposed road" means any future roadway project that is on a new 173
alignment or relocation of an existing alignment and for which 174
state or federal funding has been allocated for, but not limited 175
to, a planning level roadway improvement study, an interchange 176
justification or bypass study, environmental review, design, 177
right-of-way acquisition, or construction, and "improvement" 178
includes any action taken with respect to an existing or proposed 179
road that would cause the road to cover a portion of land that it 180
does not cover or is not proposed to cover at the time of the 181
hearing. Any portion of land that would be covered by a planned 182
improvement shall not be eligible for enrollment in an 183
agricultural security area. 184

As part of the hearing on an application, a board also may 185
consider any comprehensive plan that is in place for the county or 186
township, as applicable, and may choose to approve or reject the 187
application on the basis of the proposed agricultural security 188
area's compliance with the comprehensive plan. 189

(2) The board of township trustees of each township and the 190
board of county commissioners of each county that is required to 191
hear an application under division (A)(1) of this section may 192
conduct a joint meeting in lieu of meeting separately not later 193
than forty-five days after receipt of an application under section 194
931.02 of the Revised Code. A single public notice concerning the 195
meeting shall be provided in the manner prescribed in division 196
(A)(1) of this section in each township and county participating 197
in the meeting. The cost of the public notice shall be shared 198

equally by all townships and counties participating in the joint meeting. 199
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(3) Not later than forty-five days after a board of township trustees hears the application and not later than sixty days after a board of county commissioners hears the application, each respective board shall adopt a resolution either approving or rejecting the application. However, if a board determines that the information in the application is incorrect or the application is incomplete, the board shall return the application to the applicant, by certified mail, with an enumeration of the items that are incorrect or incomplete. 201
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Upon receipt of the returned application, the applicant may amend the application. Not later than fifteen days after receipt of the returned application, the applicant may submit an amended application to each board of township trustees and each board of county commissioners to whom the original application was submitted. 210
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Not later than thirty days after receipt of an amended application, a board shall adopt a resolution either approving or rejecting the amended application. Not later than five days after adoption of the resolution, the board shall notify the applicant, by certified mail, of the board's decision to approve or reject the application. 216
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(4) Any person may submit comments to any board of county commissioners or board of township trustees to which an application or amended application has been submitted under this chapter at any time prior to and at any public meeting at which the application or amended application is heard. 222
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(B)(1) An agricultural security area is established, and the land that is proposed for inclusion in the area is enrolled in the area, upon the adoption of a resolution by each of the affected 227
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boards of township trustees and boards of county commissioners 230
approving the same version of the application or applications 231
requesting the establishment of the area. 232

(2) Not later than thirty days after a board adopts a 233
resolution approving the establishment of an agricultural security 234
area, the board shall send a copy of the resolution, by certified 235
mail, to the director of agriculture, the director of 236
transportation, the superintendent of each school district within 237
the area, the county engineer, and the county auditor. 238

(C) A resolution approving the establishment of an 239
agricultural security area shall include all of the following: 240

(1) A statement that the board of township trustees or board 241
of county commissioners, as applicable, commits not to initiate, 242
approve, or finance any development for residential, commercial, 243
or industrial purposes, including construction of new roads and 244
water and sewer lines, within the area for a period of ten years. 245
For purposes of division (C)(1) of this section, "development" 246
does not include any of the following: 247

(a) The improvement of existing roads, provided that the 248
county engineer of each county in which the portion of the area 249
affected by the improvement is located determines that the 250
improvement is necessary for traffic safety, and provided that the 251
improvement is consistent with the agricultural use of land in the 252
area; 253

(b) The construction, modification, or operation of 254
transmission lines for electricity, gas, or oil or of any 255
gathering or production lines for oil or gas, provided that the 256
construction, modification, or operation of the lines does not 257
cause the land to become ineligible for valuation and assessment 258
for real property tax purposes in accordance with its current 259
agricultural use value under sections 5713.30 to 5713.38 of the 260

<u>Revised Code;</u>	261
<u>(c) The construction, modification, or operation of water lines or sewer lines, provided that an official or employee of the environmental protection agency orders the construction, modification, or operation for the purpose of enabling water and sewer service areas that are outside of the agricultural security area to be connected to each other, and provided that the lines do not provide service connections to land within the agricultural security area.</u>	262 263 264 265 266 267 268 269
<u>(2) A requirement that the owner or owners of the land in the area use best management practices;</u>	270 271
<u>(3) A statement that describes the agreement that was reached with other boards, if applicable, under section 5709.28 of the Revised Code concerning the percentage of the taxable value of qualifying agricultural real property in the agricultural security area that is to be exempted from taxation under that section and the number of years that the tax exemption established under that section will apply to that property.</u>	272 273 274 275 276 277 278
<u>(D) An agricultural security area may continue in existence for ten years unless either of the following occurs:</u>	279 280
<u>(1) The sole owner of land enrolled in the area withdraws under section 931.07 of the Revised Code.</u>	281 282
<u>(2) Unless division (C) of section 931.07 of the Revised Code applies, land in the area fails to satisfy any of the criteria specified in divisions (B)(1) to (3) of section 931.02 of the Revised Code.</u>	283 284 285 286
<u>(E) The approval or disapproval of an application under this section is not a final order, adjudication, or decision under section 2506.01 of the Revised Code and is not appealable under Chapter 2506. of the Revised Code.</u>	287 288 289 290

<u>Sec. 931.04. (A) An owner of land that is enrolled in an</u>	291
<u>agricultural security area may do either or both of the following:</u>	292
<u>(1) Request approval to operate any business that does not</u>	293
<u>impair the owner's ability to engage in agriculture from each</u>	294
<u>board of township trustees and each board of county commissioners</u>	295
<u>that adopted a resolution approving the establishment of the</u>	296
<u>agricultural security area;</u>	297
<u>(2) Develop, authorize the development of, or, for the</u>	298
<u>purpose of developing, transfer ownership of a portion of the</u>	299
<u>owner's land within the agricultural security area for</u>	300
<u>constructing or otherwise establishing a single-family residence</u>	301
<u>for an individual who is related by consanguinity or by affinity</u>	302
<u>to the owner. Not more than one such residence shall be</u>	303
<u>constructed per each forty acres of the owner's land within the</u>	304
<u>agricultural security area.</u>	305
<u>(B)(1) To obtain approval to operate a business under</u>	306
<u>division (A)(1) of this section, a person shall send a written</u>	307
<u>request, by certified mail, to each appropriate board of township</u>	308
<u>trustees and each appropriate board of county commissioners. The</u>	309
<u>request shall contain all of the following:</u>	310
<u>(a) A description of the proposed business;</u>	311
<u>(b) A description of the intended location of the business;</u>	312
<u>(c) A description of the intended size of the business;</u>	313
<u>(d) If applicable, a detailed description of any</u>	314
<u>construction, renovation, or excavation that will occur for</u>	315
<u>purposes of the proposed business.</u>	316
<u>(2) Not later than thirty days after receipt of a request</u>	317
<u>under division (B)(1) of this section, a board shall adopt a</u>	318
<u>resolution either approving or rejecting the request. If the board</u>	319
<u>approves the request, the board shall send a copy of the</u>	320

resolution approving the request, by certified mail, to each of 321
the following not later than thirty days after adopting the 322
resolution: 323

(a) The director of agriculture; 324

(b) Each appropriate county auditor; 325

(c) The person requesting the business. 326

(3) If all of the appropriate boards of township trustees and 327
boards of county commissioners adopt a resolution approving the 328
request to operate a business, the person making the request may 329
establish the requested business. 330

(C) The amount of land that is used for either purpose 331
authorized under division (A) of this section shall be included 332
when determining if the acreage requirement established under 333
division (B) of section 931.02 of the Revised Code is satisfied. 334

Sec. 931.05. Upon request, the director of agriculture or the 335
director's authorized representative shall provide guidance and 336
technical assistance to owners of land who are seeking enrollment 337
in agricultural security areas and to boards of township trustees 338
and boards of county commissioners who receive applications 339
requesting the establishment of agricultural security areas. 340

Sec. 931.06. Not later than one hundred eighty days prior to 341
the expiration of an agricultural security area, an owner of land 342
that is enrolled in the area may renew the enrollment. The 343
procedures established under this chapter for the initial 344
enrollment of land in an agricultural security area apply to the 345
renewal of enrollment. In addition, all of the requirements 346
governing initial enrollment apply to enrollment renewal. 347

Sec. 931.07. (A)(1) An owner of land that is enrolled in an 348

agricultural security area may withdraw from the area by sending 349
written notice of withdrawal, by certified mail, to all of the 350
following: 351

(a) The county auditor of each county in which the land is 352
located; 353

(b) The board of township trustees of each township in which 354
the land is located; 355

(c) The board of county commissioners of each county in which 356
the land is located. 357

(2) The owner of land that is enrolled in an agricultural 358
security area shall send written notice, by certified mail, to the 359
parties listed in division (A)(1) of this section when all or a 360
portion of the land becomes ineligible for enrollment in the area 361
due to the occurrence of any of the following events: 362

(a) The owner of the land withdraws all or a portion of the 363
land from an agricultural district under Chapter 929. of the 364
Revised Code. 365

(b) The land is removed from the agricultural district in 366
which it is situated because of the termination of the district, 367
and a renewal application has not been filed within the time 368
prescribed in division (C) of section 929.02 of the Revised Code 369
or has not been approved under that division. 370

(c) All or a portion of the land is converted from being land 371
devoted exclusively to agricultural use within the meaning of 372
section 5713.30 of the Revised Code unless the conversion is 373
incident to the appropriation of land by the state, one of its 374
political subdivisions, or an agency as defined in section 163.01 375
of the Revised Code. 376

(3) The county auditor of a county in which land enrolled in 377
an agricultural security area is located who discovers that any of 378

the events described in division (A)(2) of this section has 379
occurred and that the owner of the land has not complied with the 380
notice requirements established in that division shall provide the 381
required notice to the parties listed in division (A)(1) of this 382
section, except that for the purposes of division (A)(1)(a) of 383
this section, the auditor need notify only the county auditors of 384
the other affected counties. 385

(B) Upon receipt of a notice under division (A) of this 386
section, a board of township trustees or a board of county 387
commissioners immediately shall send a certified copy of the 388
notice to the director of agriculture. The copy shall indicate the 389
name of the township or county, as applicable. 390

(C)(1) If an owner of land that is enrolled in an 391
agricultural security area withdraws from the area under this 392
section or if at any time an owner's land fails to satisfy either 393
of the criteria established under division (B)(2) or (3) of 394
section 931.02 of the Revised Code, any other owners of land that 395
is enrolled in the area who do not withdraw and whose land 396
satisfies those criteria may continue to have their land enrolled 397
in the agricultural security area until the enrollment expires 398
under any of the following circumstances: 399

(a) Within the first five years of a ten-year enrollment 400
period, enrollment may continue if the number of acres remaining 401
in the agricultural security area equals five hundred or more. 402

(b) Within the first five years of a ten-year enrollment 403
period, if the number of acres remaining in the area has 404
diminished to fewer than five hundred, enrollment may continue 405
only if additional contiguous farmland is enrolled in the area to 406
the extent that the number of acres in the area increases once 407
more to equal five hundred or more. Such an increase in acreage 408
may occur through the addition of contiguous farmland to the area 409

either by a landowner who already has land enrolled in the area or
by another landowner. In either case, in order to enroll the land
in the area, the landowner shall submit, not later than sixty days
following the date on which the acreage in the area diminished to
fewer than five hundred, an application in accordance with section
931.02 of the Revised Code. The landowner shall obtain approval of
the application from all appropriate boards of township trustees
and boards of county commissioners in accordance with section
931.03 of the Revised Code. Enrollment of the additional land in
the agricultural security area shall continue until the expiration
of the existing, partially elapsed ten-year enrollment period and
may be renewed in accordance with section 931.06 of the Revised
Code.

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(c) Within the last five years of a ten-year enrollment
period, enrollment may continue regardless of the number of acres
remaining in the agricultural security area.

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(2) If the state or a municipal corporation appropriates part
of the land that is enrolled in an agricultural security area and,
as a result of the appropriation, the area fails to satisfy the
criterion established under division (B)(1) of section 931.02 of
the Revised Code, the owners of land enrolled in the area whose
land satisfies the criteria established under divisions (B)(2) and
(3) of that section may continue to have their land enrolled in
the agricultural security area until the enrollment expires.

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(D) If at any time land that is enrolled in an agricultural
security area ceases to be enrolled in the agricultural security
area, the statement made by the owner of that land under division
(A)(3) of section 931.02 of the Revised Code and the statement
made by a board of township trustees or board of county
commissioners under division (C)(1) of section 931.03 of the
Revised Code are no longer applicable.

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Sec. 931.08. No owner of land that is enrolled in an agricultural security area shall fail to comply with the statement that the owner submitted under division (A)(3) of section 931.02 of the Revised Code that the owner will not initiate, approve, or finance any new development on the land for nonagricultural purposes. 441
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Sec. 931.09. The director of agriculture shall prepare and submit to the governor, the president of the senate, and the speaker of the house of representatives an annual report concerning agricultural security areas in the state. The report shall include information concerning the number of acres that are enrolled in agricultural security areas and their location and any tax exemptions granted under section 5709.28 of the Revised Code. 447
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Sec. 931.99. Whoever violates division (A)(2) of section 931.07 of the Revised Code or section 931.08 of the Revised Code shall be fined five hundred dollars. The clerk of the court that receives payment of the fine money shall forward half of the money to the board of township trustees of the township and half of the money to the board of county commissioners of the county in which the applicable agricultural security area is located. 454
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In the case of an agricultural security area that is located in more than one township, the clerk shall divide half of the fine money in equal shares among the townships and shall forward the appropriate portion to each board of township trustees. In the case of an agricultural security area that is located in more than one county, the clerk shall divide half of the fine money in equal shares among the counties and shall forward the appropriate portion to each board of county commissioners. 461
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A board of township trustees or a board of county commissioners may, but is not required to, use the fine money 469
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received under this section for farmland preservation purposes.

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Sec. 5709.28. As used in this section, "qualifying agricultural real property" means a building, structure, improvement, or fixture that is used exclusively for agricultural purposes, is located on land enrolled in an agricultural security area established under Chapter 931. of the Revised Code, and has a true value in money of twenty-five thousand dollars or more.

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At the time of the establishment or renewal of an agricultural security area or at any time during which land is enrolled in an agricultural security area, a percentage of the taxable value of qualifying agricultural real property first appearing on the real and public utility property tax list in a tax year during the enrollment may be exempted from taxation. The board of township trustees of each township in which the land that is enrolled in the agricultural security area is located and the board of county commissioners of each county in which the land is located shall confer with each other and reach an agreement concerning the tax exemption. At the time the agreement is reached, the boards shall send written notice of the agreement to the superintendent of each school district within the agricultural security area. After the agreement is reached and the tax exemption is granted, the qualifying agricultural real property shall become exempt in the tax year following the year in which the construction of the property is completed.

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The agreement shall establish the percentage of the taxable value of qualifying agricultural real property that is to be exempted from taxation and the number of years that the tax exemption will apply to that property. The agreement may specify that the tax years during which the exemption will apply to the property may extend past the scheduled expiration date of the period of enrollment in the agricultural security area, provided

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that the enrollment is renewed and otherwise continues during the 502
tax years that the exemption applies. The agreement shall not 503
exempt from taxation more than seventy-five per cent of the 504
taxable value of the qualifying agricultural real property. In 505
addition, the agreement may establish the maximum amount of the 506
value of the qualifying agricultural real property to which the 507
tax exemption may apply. Subsequent to the agreement establishing 508
that maximum amount, the owner of the property may request the 509
applicable boards to alter the agreement and increase the maximum 510
value of the property to which the tax exemption applies. The 511
agreement shall be reviewed annually by the tax incentive review 512
council in accordance with section 5709.85 of the Revised Code. 513

Each time that a renewal application is filed for an 514
agricultural security area that involves qualifying agricultural 515
real property that has been the subject of an exemption that 516
expired on or before the date on which the previous period of 517
enrollment in an agricultural security area expired, the 518
applicable boards shall reach a new agreement concerning the 519
exemption before any of the boards adopts a resolution either 520
approving or rejecting the renewal application. 521

The county auditor shall enter on the list of property 522
described in section 5713.07 of the Revised Code that is exempt 523
from taxation any qualifying agricultural real property that is 524
the subject of an exemption under this section. An application 525
shall not be required to be filed under section 5715.27 of the 526
Revised Code with respect to the exemption. The county auditor 527
shall remove the qualifying agricultural real property from the 528
list at the time that the county auditor discovers or is notified 529
under section 931.07 of the Revised Code that a withdrawal, 530
removal, or conversion of land from an agricultural security area 531
has occurred in a way that makes the qualifying agricultural real 532
property no longer eligible for the exemption. 533

If the county auditor removes qualifying agricultural real property from the list of property that is exempt from taxation and the owner of the removed property claimed a tax exemption established under this section for a prior tax year, the amount of tax otherwise imposed on the qualifying agricultural real property that was the subject of the exemption shall be increased. The amount of the increase shall equal the aggregate value of the tax exemption received by the taxpayer under this section since the agricultural security area was most recently approved for establishment or renewal, as applicable, plus interest on that amount at the average bank prime rate, as determined under section 929.02 of the Revised Code, at the time that the county auditor removes the property from the list of property that is exempt from taxation. The tax year in which the increase shall occur is dependent upon the date on which the county auditor makes a discovery or is notified under section 931.07 of the Revised Code that a withdrawal, removal, or conversion of land from an agricultural security area has occurred. If the discovery or notification occurs prior to the date in a tax year on which the county auditor delivers a copy of the general tax list to the county treasurer under section 319.28 of the Revised Code, the increase shall occur in the same tax year that the discovery or notification occurred. If the discovery or notification occurs on or after the date in a tax year on which the copy of the general tax list is delivered to the county treasurer, the increase shall occur in the tax year that immediately follows the year in which the discovery or notification occurred.

Sec. 5709.85. (A) The legislative authority of a county, township, or municipal corporation that grants an exemption from taxation under Chapter 725. or 1728. or under section 3735.67, 5709.28, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code shall create a tax incentive review

council. The council shall consist of the following members: 566

(1) In the case of a municipal corporation eligible to 567
designate a zone under section 5709.62 of the Revised Code, the 568
chief executive officer or that officer's designee; a member of 569
the legislative authority of the municipal corporation, appointed 570
by the president of the legislative authority or, if the chief 571
executive officer of the municipal corporation is the president, 572
appointed by the president pro tempore of the legislative 573
authority; the county auditor or the county auditor's designee; 574
the chief financial officer of the municipal corporation or that 575
officer's designee; an individual appointed by the board of 576
education of each city, local, exempted village, and joint 577
vocational school district to which the instrument granting the 578
exemption applies; and two members of the public appointed by the 579
chief executive officer of the municipal corporation with the 580
concurrence of the legislative authority. At least four members of 581
the council shall be residents of the municipal corporation, and 582
at least one of the two public members appointed by the chief 583
executive officer shall be a minority. As used in division (A)(1) 584
of this section, a "minority" is an individual who is 585
African-American, Hispanic, or Native American. 586

(2) In the case of a county or a municipal corporation that 587
is not eligible to designate a zone under section 5709.62 or 588
5709.632 of the Revised Code, three members appointed by the board 589
of county commissioners; two members from each municipal 590
corporation to which the instrument granting the tax exemption 591
applies, appointed by the chief executive officer with the 592
concurrence of the legislative authority of the respective 593
municipal corporations; two members of each township to which the 594
instrument granting the tax exemption applies, appointed by the 595
board of township trustees of the respective townships; the county 596
auditor or the county auditor's designee; and an individual 597

appointed by the board of education of each city, local, exempted 598
village, and joint vocational school district to which the 599
instrument granting the tax exemption applies. At least two 600
members of the council shall be residents of the municipal 601
corporations or townships to which the instrument granting the tax 602
exemption applies. 603

(3) In the case of a township in which improvements are 604
declared a public purpose under section 5709.73 of the Revised 605
Code, the board of township trustees; the county auditor or the 606
county auditor's designee; and an individual appointed by the 607
board of education of each city, local, exempted village, and 608
joint vocational school district to which the instrument granting 609
the exemption applies. 610

(B) The county auditor or the county auditor's designee shall 611
serve as the chairperson of the council. The council shall meet at 612
the call of the chairperson. At the first meeting of the council, 613
the council shall select a vice-chairperson. Attendance by a 614
majority of the members of the council constitutes a quorum to 615
conduct the business of the council. 616

(C)(1) Annually, the tax incentive review council shall 617
review all agreements granting exemptions from property taxation 618
under Chapter 725. or 1728. or under section 3735.671, 5709.28, 619
5709.62, 5709.63, or 5709.632 of the Revised Code, and any 620
performance or audit reports required to be submitted pursuant to 621
those agreements. The review shall include agreements granting 622
such exemptions that were entered into prior to July 22, 1994, 623
that continue to be in force and applicable to the current year's 624
property taxes. ~~With~~ 625

With respect to each agreement, other than an agreement 626
entered into under section 5709.28 of the Revised Code, the 627
council shall determine whether the owner of the exempted property 628
has complied with the agreement, and may take into consideration 629

any fluctuations in the business cycle unique to the owner's 630
business. ~~On~~ 631

With respect to an agreement entered into under section 632
5709.28 of the Revised Code, the council shall consist of the 633
members described in division (A)(2) of this section and shall 634
determine whether the agreement complies with the requirements of 635
section 5709.28 of the Revised Code and whether a withdrawal, 636
removal, or conversion of land from an agricultural security area 637
established under Chapter 931. of the Revised Code has occurred in 638
a manner that makes the exempted property no longer eligible for 639
the exemption. 640

On the basis of ~~that determination~~ the determinations, on or 641
before the first day of September of each year, the council shall 642
submit to the legislative authority written recommendations for 643
continuation, modification, or cancellation of each agreement. 644

(2) Annually, the tax incentive review council shall review 645
all exemptions from property taxation resulting from the 646
declaration of public purpose improvements pursuant to section 647
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code. The 648
review shall include such exemptions that were granted prior to 649
July 22, 1994, that continue to be in force and applicable to the 650
current year's property taxes. With respect to each improvement 651
for which an exemption is granted, the council shall determine the 652
increase in the true value of parcels of real property on which 653
improvements have been undertaken as a result of the exemption; 654
the value of improvements exempted from taxation as a result of 655
the exemption; and the number of new employees or employees 656
retained on the site of the improvement as a result of the 657
exemption. 658

Upon the request of a tax incentive review council, the 659
county auditor, the housing officer appointed pursuant to section 660
3735.66 of the Revised Code, the owner of a new or remodeled 661

structure or improvement, and the legislative authority of the 662
county, township, or municipal corporation granting the exemption 663
shall supply the council with any information reasonably necessary 664
for the council to make the determinations required under division 665
(C) of this section, including returns or reports filed pursuant 666
to sections 5711.02, 5711.13, and 5727.08 of the Revised Code. 667

(D) Annually, the tax incentive review council shall review 668
the compliance of each recipient of a tax exemption under Chapter 669
725. or 1728. or section 3735.67, 5709.40, 5709.41, 5709.62, 670
5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code with 671
the nondiscriminatory hiring policies developed by the county, 672
township, or municipal corporation under section 5709.832 of the 673
Revised Code. Upon the request of the council, the recipient shall 674
provide the council any information necessary to perform its 675
review. On the basis of its review, the council may submit to the 676
legislative authority written recommendations for enhancing 677
compliance with the nondiscriminatory hiring policies. 678

(E) A legislative authority that receives from a tax 679
incentive review council written recommendations under division 680
(C)(1) or (D) of this section shall, within sixty days after 681
receipt, hold a meeting and vote to accept, reject, or modify all 682
or any portion of the recommendations. 683

(F) A tax incentive review council may request from the 684
recipient of a tax exemption under Chapter 725. or 1728. or 685
section 3735.67, 5709.28, 5709.40, 5709.41, 5709.62, 5709.63, 686
5709.632, 5709.73, or 5709.78 of the Revised Code any information 687
reasonably necessary for the council to perform its review under 688
this section. The request shall be in writing and shall be sent to 689
the recipient by certified mail. Within ten days after receipt of 690
the request, the recipient shall provide to the council the 691
information requested. 692

Section 2. That existing section 5709.85 of the Revised Code 693

is hereby repealed.

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